

WPW Acquisition Co v City of Troy, 466 Mich 117 (2002).

In 2002, the Michigan Supreme Court decision in WPW Acquisition Co. v. City of Troy stated that the original language of Proposal A only allowed taxable value to decrease when the occupancy went down, but it did NOT include language to allow a taxable value to increase when the occupancy increased.

That decision is unfair to residential taxpayers as the resulting effect will shift the property tax burden to residential taxpayers over time since property taxes collected from commercial properties as a percentage of total tax revenues will decrease.

This loss in property tax revenue as a result of the Supreme Court decision is significant. This revenue loss will not only impact the City of Southfield, but also all of the other Michigan cities and townships, counties, school districts, intermediate school districts, libraries, and the State of Michigan Education Tax

The Michigan Supreme Court left open the idea that subsequent legislation and a subsequent vote of the people of the State of Michigan could change this language.

Such a new law would not be unfair and unconstitutional because it would lower the taxes when the occupancy goes down and it would raise the taxes IF, and only IF, the occupancy goes up.

We now, therefore urge all State Legislators to re-establish tax equity and correct the impact of the WPW Acquisitions v City of Troy decision by supporting legislation to address the unequal treatment of additions and losses in the following sections of the General Property Tax Act

MCL 211.34d(1)(b)(vii) and

MCL 211.34d(1)(h)(iii)).

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26000 Evergreen Road

Southfield MI 48037

Property Tax Workshop:  
Michigan Local Governments in Fiscal Crisis  
Hosted by:

LOCAL GOVERNMENT CAUCUS CO-CHAIRS

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**Proposal A**

- Constitutional change in 1994.
- Inflationary cap now on a parcel by parcel basis.
- Also accompanied by implementing legislation.
- Treatment of “transfers” – no benefit during “risking markets”.
- No more “rollups”.

**WPW vs. Troy**

136 respondents from across the state representing urban, suburban and rural communities

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From 2008 to 2009, 65 communities will see a decline.

From 2009 to 2010, 69 are predicting a decline.

Cumulative property tax revenue for the 3 year period will be lost in 64 communities without considering a loss of growth. Including that factor, 113 communities will lose property tax revenue

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